# School Cafeteria Employees UNITEHERE Local No. 634
# Health & Welfare Fund

911 Ridgebrook Road
Sparks, Maryland 21152-9451
(833) 228-9212
www.associated-admin.com

## Agenda

January 18, 2022
10:00 AM

I. Call to Order

II. Minutes, Regular Meeting – October 12, 2021

III. Investment Manager Report

IV. Auditor Report

V. Consultant Report

VI. Administrative Manager Report

VII. Counsel Report

VIII. Other Fund Business

IX. Next Meeting Date and Location

X. Adjournment

**School Cafeteria Employees UNITEHERE Local No. 634**
**Health & Welfare Fund**

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Minutes of the Meeting of the Board of Trustees
Held on Tuesday, October 12, 2021
Via Zoom

| | |
|---|---|
| Present Were: | Nicole Hunt, Antoinette Ford, and Warren Heyman – Union Trustees<br><br>Wayne Grasela, Lisa Norton and Susan Hancock – Management Trustees |
| Also Present Were: | Deborah R. Willig, Esq. and Kelly Brogan, Esq. of Willig, Williams & Davidson – Legal Counsel; Frank Iannucci of Summit Actuarial Services – Fund Consultant; Kathleen Jackson, CPA; Alicia Cochran of Associated Administrators, LLC – Administrative Manager; Matthew Walker[1], CFA of The Philadelphia Trust Company |

The meeting was called to order at 10:05 a.m. with Ms. Hunt presiding as Chairperson. Notice of this meeting was communicated prior to the date of the meeting. A quorum was present.

I. The minutes of the meeting of the Board of Trustees held on July 13, 2021 were discussed.

MOTION was made and seconded to adopt the minutes of the meeting of the Board of Trustees held on July 13, 2021.

UNANIMOUSLY ADOPTED

[1] Present for the investment report only.

II. **Investment Manager's Report.** Mr. Walker presented the Investment Manager's report and stated the following: As of September 30, 2021 the total assets held in the discretionary account were $1,362,798.89 with earnings for the quarter of 0.03% and year to date of 3.28%. Assets in the discretionary account were allocated 25.70% to fixed income, 28.40% to equities, 45.20% to cash and equivalents and 0.60% to other assets. Total assets held in the non-discretionary account were $9,438.71.

Mr. Walker reviewed new holdings within the portfolio and said his firm continues to monitor inflation, international tension, and the recovery of the economy related to the pandemic.

III. **Fund Auditor's Report.** Ms. Jackson presented two engagement letters from Novak Francella, LLC for auditing services. The annual audit engagement letter is for the September 1, 2020 to August 31, 2021 fiscal year. The cost of the annual audit increased $800.00 from the last fiscal year, not to exceed $19,150.00. The payroll engagement letter is for the period January 1, 2019 through December 31, 2020. The payroll audit services will be billed at the composite hourly rate of $129.00 plus any out of pocket expenses.

MOTION was made and seconded to engage Novak Francella, LLC for auditing services for the 2020 – 2021 fiscal year and a payroll audit for the 2019 and 2020 calendar years.

UNANIMOUSLY ADOPTED

IV. **Fund Consultants' Report.** Mr. Iannucci noted the prescription Aggregate Stop Loss coverage proposal prepared by Pennjerdel Insurance which was previously provided to the Trustees. He stated the Trustees agreed in August 2021 not to renew the policy effective September 1, 2021.

Mr. Iannucci discussed the Fund's reserves and said they represent approximately 7.5 months of benefit cost. He said the current CBA states the bargaining parties are to be notified if the reserve drops below 6 months. Mr. Iannucci recommended that Mr. Walker notify the Fund if the investment assets reach $1,200,000. Ms. Cochran said she would notify Mr. Walker of this request.

Mr. Iannucci recommended the Trustees consider a Pharmacy Benefit Manager ("PBM") Request For Proposal ("RFP") based on the recent service issues with BeneCard. The Trustees requested that BeneCard be included in the RFP.

MOTION was made and seconded to approve the recommendation of the Fund's consultant to perform a PBM RFP.

UNANIMOUSLY ADOPTED

Mr. Iannucci noted that Ms. Willig previously asked Guardian Nurses for other options regarding the annual rate. Ms. Willig said that Guardian Nurses confirmed the fee agreement can be modified to an hourly rate of $300 per hour. The Fund currently pays an annual rate, regardless of utilization. Based on the Fund's low utilization, Mr. Iannucci recommended the change to an hourly rate.

MOTION was made and seconded to approve modifying the fee agreement with Guardian Nurses from an annual fee to an hourly rate of $300 based on utilization.

UNANIMOUSLY ADOPTED

Ms. Willig noted that she had contacted the City regarding the Health Clinic usage and will provide an update at the next meeting.

V. **Administrative Manager's Report.** Ms. Cochran presented an unaudited statement of cash receipts and cash disbursements for FY 2020-2021, as of August 31, 2021, with a comparative report for FY 2019-2020. Receipts and disbursements for the period were reviewed, with the Fund experiencing a deficit of $194,097.93 compared to a deficit of $166,264.54 for the prior period.

A report was presented indicating the total Fund balance through August 31, 2021 was $1,618,923.56.

A report was presented detailing the number of eligible employees as of August 31, 2021 - 771 Cafeteria Workers and 955 Student Climate Staff for a total of 1,726 employees.

A COBRA report was presented for September 1, 2020 through August 31, 2021 showing a total of 267 COBRA notices sent, with 6 COBRA payees in the month of August.

A dental claims report for Cafeteria Workers and Student Climate Staff for June 1, 2021 through August 31, 2021 was presented. Payments totaled $57,531.89 on 1,043 claims for Cafeteria Workers and $20,874.42 on 350 claims for Student Climate Staff.

A report of orthotic claims paid for the period September 1, 2020 through August 31, 2021 was

presented. Orthotic claims paid to date for Cafeteria Workers totaled $6,655.00 and $4,720.00 for Student Climate Staff.

A report of wig claims paid for the period September 1, 2020 through August 31, 2021 was presented. Wig claims paid to date for Cafeteria Workers totaled $82.76. Claims paid to date for Student Climate Staff totaled $0.00.

Ms. Cochran presented a utilization report prepared by Guardian Nurses for the period July 1, 2021 through September 30, 2021. The report reflected utilization of 20 minutes for the quarter.

VI. **Fund Counsel's Report.** Ms. Brogan stated the revised draft of the Summary Plan Description was provided to Associated for review.

Ms. Brogan provided the Diabetic Reimbursement Agreement prior to the meeting. She brought to the Trustees' attention a new provision added by Ms. Hancock requiring the Fund to instruct the PBM to provide a file of diabetic medication utilization to IBC, the medical provider for the School District. Ms. Brogan advised that while the new provision may be helpful, it is not appropriate based on what was approved by the Trustees at the prior meeting. Ms. Hancock stated that she would agree to remove the provision from the Agreement and would present additional information regarding information sharing with IBC at the next meeting. Ms. Brogan stated that she would revise the Agreement and circulate for signature.

Ms. Brogan reviewed the previous discussion between Ms. Willig, Ms. Cochran, and Ms. Hancock regarding the Notice of Creditable Coverage. Ms. Brogan explained it was previously determined that the Affordable Care Act ("ACA") required the Fund to include the out-of-pocket maximum in the notice since there are separate limits for the medical and prescription benefits. She recommended the notice with the out-of-pocket maximums should be mailed to meet the October 15, 2021 deadline.

VII. **Other Business.** Ms. Cochran reported the following: The Fund received the 2022 membership renewal invoice for the International Foundation of Employee Benefit Plans. The renewal fee is $1,100.

MOTION was made and seconded to approve payment of $1,100 for the International Foundation of Employee Benefit Plans invoice.

UNANIMOUSLY ADOPTED

Ms. Cochran reported the Fiduciary Liability policy was renewed September 6, 2021. There was no increase in the premium of $4,157 from the previous year. Payments for the waiver of recourse

were emailed to the Trustees on August 31, 2021.

In accordance with the Fund's past practice, the Fund requested $300,000.00 from investments held at The Philadelphia Trust Company to cover expenses. The transfer was requested on July 21, 2021.

Ms. Cochran informed the Trustees that one member elected and qualified for the COBRA premium subsidy provided by the American Rescue Plan Act. She noted that the subsidy ended on September 30, 2021.

VIII. The date of the next regular Board meeting was scheduled for January 18, 2022. The meeting will convene at 10:00 a.m. and the location will be determined at a later date.

IX. There being no further business before the Board of Trustees, the meeting was adjourned.

_____
Union Trustee

_____
School District Trustee

# School Cafeteria Employees UNITEHERE
# Local No. 634 Health and Welfare Fund
## Profit & Loss Prev Year Comparison
### September 2021 through November 2021

| | | Nov-21 | Nov-20 |
|---|---|---|---|
| **Ordinary Income/Expense** | | | |
| **Income** | | | |
| 61-113 | Cobra Contributions | 1,423.05 | - |
| 61-121 | Cafeteria Workers | 490,912.50 | 517,629.80 |
| 61-125 | Student Climate Staff | 33,560.80 | 35,436.80 |
| 61-300 | Interest on Investments | 2,296.81 | 4,645.47 |
| 61-301 | Bond Discount Accretion | - | 625.00 |
| 61-302 | Interest on Bank Accounts | 37.71 | 3.23 |
| 61-303 | Realized Gain/Loss | 15,800.42 | 12,374.98 |
| 61-304 | Unrealized Gain/Loss | (30,274.83) | 6,415.95 |
| 61-320 | Formulary Rebates | 121,808.14 | 80,858.15 |
| 61-350 | Other Income | 49.23 | - |
| **Total Income** | | **635,613.83** | **657,989.38** |
| **Gross Profit** | | **635,613.83** | **657,989.38** |
| **Expense** | | | |
| 71-200 | City Clinics Fee | 15,000.00 | 15,000.00 |
| 71-202 | Benecard Drug Claims | 460,564.57 | 458,940.24 |
| 71-523 | Benecard Admin Fee | 10,277.44 | 17,207.90 |
| 71-203 | Vision Premium | 53,246.77 | 17,768.49 |
| 71-212 | Orthotics Claims | - | 10,005.00 |
| 71-214 | Self-Funded Dental Claims | 55,269.48 | 72,988.92 |
| 71-560 | Dental Claims | 7,224.00 | 6,179.00 |
| 71-216 | Wig Benefit | - | 195.00 |
| 71-515 | Local 634 Shared Costs | 3,900.00 | 6,600.00 |
| 71-300 | Administration Fees | 28,644.24 | 27,810.00 |
| 71-502 | Legal Counsel Fee | 7,198.56 | 3,191.06 |
| 71-505 | Consultant Fee | 3,000.00 | 3,000.00 |
| 71-508 | Printing, Duplicating, Postage | 2,124.19 | 670.37 |
| 71-509 | Investment Manager Fee | 1,708.59 | - |
| 71-517 | Fiduciary Liability Insurance Premium | 4,157.00 | - |
| 71-519 | Membership Dues & DVHCC | 1,100.00 | 1,065.00 |
| 71-550 | Bank Service Charge & Wire Fees | 42.00 | 174.27 |
| **Total Expense** | | **653,456.84** | **640,795.25** |
| **Net Ordinary Income** | | **(17,843.01)** | **17,194.13** |
| **Net Income** | | **(17,843.01)** | **17,194.13** |

# School Cafeteria Employees UNITEHERE
# Local No. 634 Health and Welfare Fund

## Firstrust Bank and Philadelphia Trust Balances
**November 30, 2021**

| | | |
|---|---|---|
| **BB&T** | | |
| Savings - M/M (Old) | $ | 0.16 |
| Cash Expense Firstrust Bank | | 217,109.60 |
| Accounts Receivable | | 238.80 |
| Prepaid Expenses | | 366.64 |
| Prepaid Insurance | | 22,963.44 |
| Total BB&T | | 240,678.64 |
| **Philadelphia Trust** | | |
| Phila Trust - Discr PTC701 | | 1,224,223.52 |
| Phila Trust - Non-Dis PTCN90 | | 9,434.76 |
| Phila Trust Company Allowance | | 147,255.66 |
| Total Philadelphia Trust | | 1,380,913.94 |
| Grand Total | **$** | **1,621,592.58** |

# School Cafeteria Employees UNITEHERE
# Local No. 634 Health and Welfare Fund

## Employer Contributions and Participant Counts Report - September 1, 2021 - August 31, 2022

| Pay Period Ending | Date Received | Class | Amount Received | Contribution Rate | Member Count |
|---|---|---|---|---|---|
| 8/27/2021 | 9/9/2021 | Food Service Workers | $ 71,467.50 | $ 97.50 | 733 |
| | | Student Climate Staff | $ 4,967.20 | $ 5.60 | 887 |
| | | | $ 76,434.70 | | |
| 9/10/2021 | 9/24/2021 | Food Service Workers | $ 70,980.00 | $ 97.50 | 728 |
| | | Student Climate Staff | $ 4,888.80 | $ 5.60 | 873 |
| | | | $ 75,868.80 | | |
| 9/24/2021 | 9/28/2021 | Food Service Workers | $ 70,590.00 | $ 97.50 | 724 |
| | | Student Climate Staff | $ 4,844.00 | $ 5.60 | 865 |
| | | | $ 75,434.00 | | |
| 10/8/2021 | 10/13/2021 | Food Service Workers | $ 70,005.00 | $ 97.50 | 718 |
| | | Student Climate Staff | $ 4,754.40 | $ 5.60 | 849 |
| | | | $ 74,759.40 | | |
| 10/22/2021 | 10/29/2021 | Food Service Workers | $ 69,712.50 | $ 97.50 | 715 |
| | | Student Climate Staff | $ 4,709.60 | $ 5.60 | 841 |
| | | | $ 74,422.10 | | |
| 11/5/2021 | 11/8/2021 | Food Service Workers | $ 69,127.50 | $ 97.50 | 709 |
| | | Student Climate Staff | $ 4,653.60 | $ 5.60 | 831 |
| | | | $ 73,781.10 | | |

# School Cafeteria Employees UNITEHERE
# Local No. 634 Health and Welfare Fund

COBRA Report - September 1, 2021 - August 31, 2022

| | COBRA Notices Sent | COBRA Elections | COBRA Participants |
|---|---|---|---|
| **September 2021** | 29 | 6 | 6 |
| | | | |
| **October 2021** | 22 | 0 | 5 |
| | | | |
| **November 2021** | 20 | 0 | 5 |
| | | | |
| **December 2021** | | | |
| | | | |
| **January 2022** | | | |
| | | | |
| **February 2022** | | | |
| | | | |
| **March 2022** | | | |
| | | | |
| **April 2022** | | | |
| | | | |
| **May 2022** | | | |
| | | | |
| **June 2022** | | | |
| | | | |
| **July 2022** | | | |
| | | | |
| **August 2022** | | | |
| | | | |
| **Totals** | 71 | | |

# School Cafeteria Employees UNITEHERE
# Local No. 634 Health and Welfare Fund

Dental Claims Report - September 1, 2021 - November 30, 2021

## Food Service Workers

**In-Network (LPMA)**

| Catergory | Usage | Billed Amount | Paid Amount |
|---|---|---|---|
| Comprehensive Orthodontics | 0 | $ - | $ - |
| Diagnostic | 291 | $ 20,137.58 | $ 6,329.80 |
| Endodontics | 33 | $ 8,774.00 | $ 3,309.00 |
| Extraction | 7 | $ 1,090.00 | $ 315.00 |
| Oral Surgery | 33 | $ 17,304.00 | $ 1,419.00 |
| Orthodontics | 38 | $ 20,121.61 | $ 3,100.00 |
| Other Services | 84 | $ 8,246.40 | $ 2,467.00 |
| Periodontics | 45 | $ 10,140.00 | $ 3,064.00 |
| Preventive | 114 | $ 9,732.48 | $ 4,053.52 |
| Prosthodontics, Fixed | 9 | $ 11,388.00 | $ 1,789.00 |
| Prosthodontics, Removable | 23 | $ 19,085.00 | $ 7,455.00 |
| Restorative | 73 | $ 15,783.50 | $ 4,400.00 |
| Restorative, Crowns | 15 | $ 16,372.00 | $ 5,821.00 |
| Totals | 765 | $ 158,174.57 | $ 43,522.32 |

**Out-of Network**

| Catergory | Usage | Billed Amount | Paid Amount |
|---|---|---|---|
| Comprehensive Orthodontics | 0 | $ - | $ - |
| Diagnostic | 22 | $ 1,080.75 | $ 432.00 |
| Endodontics | 0 | $ - | $ - |
| Extraction | 2 | $ 200.00 | $ 90.00 |
| Oral Surgery | 0 | $ - | $ - |
| Orthodontics | 0 | $ - | $ - |
| Other Services | 1 | $ 95.00 | $ 30.00 |
| Periodontics | 6 | $ 794.50 | $ 485.00 |
| Preventive | 9 | $ 809.00 | $ 324.00 |
| Prosthodontics, Fixed | 0 | $ - | $ - |
| Prosthodontics, Removable | 3 | $ 3,350.00 | $ 1,170.00 |
| Restorative | 9 | $ 1,345.00 | $ 570.00 |
| Restorative, Crowns | 3 | $ 3,340.00 | $ 1,740.00 |
| Totals | 55 | $ 11,014.25 | $ 4,841.00 |

| | In-Network | Out-of-Network | Overall Totals |
|---|---|---|---|
| **Total Billed Amount** | $ 158,174.57 | $ 11,014.25 | $ 169,188.82 |
| **Total Paid Amount** | $ 43,522.32 | $ 4,841.00 | $ 48,363.32 |

# School Cafeteria Employees UNITEHERE
# Local No. 634 Health and Welfare Fund

Dental Claims Report - September 1, 2021 - November 30, 2021

## Student Climate Staff

**In-Network (LPMA)**

| Catergory | Usage | Billed Amount | Paid Amount |
|---|---|---|---|
| Comprehensive Orthodontics | 0 | $ - | $ - |
| Diagnostic | 146 | $ 9,440.40 | $ 3,190.40 |
| Endodontics | 0 | $ - | $ (25.00) |
| Extraction | 1 | $ 39.60 | $ 39.60 |
| Oral Surgery | 15 | $ 3,600.00 | $ 585.00 |
| Orthodontics | 5 | $ 225.00 | $ 180.00 |
| Other Services | 46 | $ 4,331.16 | $ 1,103.16 |
| Periodontics | 14 | $ 4,514.00 | $ 1,240.00 |
| Preventive | 43 | $ 3,878.00 | $ 1,780.00 |
| Prosthodontics, Fixed | 0 | $ - | $ - |
| Prosthodontics, Removable | 3 | $ 1,614.00 | $ 855.00 |
| Restorative | 12 | $ 1,854.00 | $ 795.00 |
| Restorative, Crowns | 3 | $ 3,425.00 | $ 1,740.00 |
| Totals | 288 | $ 32,921.16 | $ 11,483.16 |

**Out-of-Network**

| Catergory | Usage | Billed Amount | Paid Amount |
|---|---|---|---|
| Comprehensive Orthodontics | 0 | $ - | $ - |
| Diagnostic | 12 | $ 586.00 | $ 289.00 |
| Endodontics | 1 | $ 1,475.00 | $ 663.00 |
| Extraction | 0 | $ - | $ - |
| Oral Surgery | 1 | $ 275.00 | $ 45.00 |
| Orthodontics | 0 | $ - | $ - |
| Other Services | 2 | $ 135.00 | $ 80.00 |
| Periodontics | 0 | $ - | $ - |
| Preventive | 8 | $ 737.00 | $ 378.00 |
| Prosthodontics, Fixed | 0 | $ - | $ - |
| Prosthodontics, Removable | 0 | $ - | $ - |
| Restorative | 10 | $ 3,318.00 | $ 261.00 |
| Restorative, Crowns | 3 | $ 4,510.00 | $ 667.00 |
| Totals | 37 | $ 11,036.00 | $ 2,383.00 |

| | In-Network | Out-of-Network | Overall Totals |
|---|---|---|---|
| **Total Billed Amount** | $ 32,921.16 | $ 11,036.00 | $ 43,957.16 |
| **Total Paid Amount** | $ 11,483.16 | $ 2,383.00 | $ 13,866.16 |

# School Cafeteria Employees UNITEHERE
# Local No. 634 Health and Welfare Fund

Orthotic Claims Report - September 1, 2021 - November 30, 2021

**Food Service Workers**

| Months | Amount | Total Paid |
|---|---|---|
| September 2021 - November 2021 | $ - | $ - |
| **Totals** | **$ -** | **$ -** |

**Student Climate Staff**

| Months | Amount | Total Paid |
|---|---|---|
| September 2021 - November 2021 | $ - | $ - |
| **Totals** | **$ -** | **$ -** |

# School Cafeteria Employees UNITEHERE
# Local No. 634 Health and Welfare Fund

Wig Claims Report - September 1, 2021 - November 30, 2021

**Food Service Workers**

| Months | Billed Amount | Paid to Member Amount |
|---|---|---|
| September 2021 - November 2021 | $ - | $ - |
| **Totals** | **$ -** | **$ -** |

**Student Climate Staff**

| Months | Billed Amount | Paid to Member Amount |
|---|---|---|
| September 2021 - November 2021 | $ - | $ - |
| **Totals** | **$ -** | **$ -** |

January 18, 2022

Board of Trustees of the
School Cafeteria Employees UNITEHERE Local No. 634 Health and Welfare Fund

**Re: Administrative Services Contract Renewal**

Dear Trustees:

The administrative services contract between Associated Administrators, LLC ("Associated") and the School Cafeteria Employees UNITEHERE Local No. 634 Health and Welfare Fund ("Fund") expired December 31, 2021. We hope the Trustees will consider favorably our request for a new three-year agreement at the rates attached in Exhibit A, which represents a 3% increase each year, designed to cover increased costs of doing business effective January 1, 2022.

**Services Recap**

Brief recap of some of the services provided by Associated over the last three years:

- Implemented new benefit group with BeneCard, including Cafeteria Workers working less than 4 hours
- Implemented new benefit group with BeneCard, eligibility for diabetic supplies for Cafeteria Workers with medical coverage through the School District
- Annually completed the online disclosure to CMS to report the creditable coverage status of the Plan
- Distributed numerous compliance notices such as the Women's Health Care and Cancer Rights Act Notice, Summary of Benefits and Coverage, and Notice of Creditable Coverage.
- Maintained website for participants to easily access benefit forms, Summary Plan Description and Summary Material Modifications
- Maintained our accurate and efficient service, despite the serious challenges of the COVID – 19 pandemic

Associated works hard to control its operating costs, but most are increasing. Associated's expenses track higher than the Consumer Price Index ("CPI") for many reasons, but mainly because we are dependent on

Information Technology ("IT") services to a greater degree than is represented in the CPI. Our expenses increase every year, as described below, but we do not depend solely on increases in our rates to compensate. We work hard to control our costs internally, including frequent re-negotiations with our vendors, such as Basys.

- **Employee Benefits**
  Associated's bargaining unit employees participate in a multiemployer Health and Welfare Fund. The cost of medical benefits for our unit staff increased 4% effective November 2020 and pension benefits will increase 9% per year for the next four years starting November 2020.

- **Business Insurance**
  The cost of Associated's business insurance policy increased 11% between 2019 and 2020.

- **Postage**
  Associated pays all regular postage on behalf of the Fund, excluding mass mailings. The United States Postal Service implemented a rate hike in 2019 of 10% for first class mail. Another increase was implemented January 2022.

- **Regulatory Changes**
  Over the last several years, regulations continue to affect benefits administration. Associated has increased its workforce, training, and systems to abide by these regulations. New Regulations will add significantly to Associated's workload, including those related to the Consolidated Appropriations Act, 2021, No Surprises Act and the Consolidated Omnibus Budget Reconciliation Act Subsidy program.

- **Class Action Lawsuits**
  Associated continues to work to ensure the Fund participates to its fullest extent and receives settlement checks whenever possible. Associated files unclaimed property claims with the State to benefit the Fund.

- **Health Insurance Portability and Accountability Act and Health Information Technology for Economic and Clinical Health Act**
  These Acts require breach reporting regarding protected health information. Associated conducts ongoing in–house training of all our employees on the requirements of the Acts and continually

works to protect the Fund's data and security. This includes rotating in new software packages to protect against malware and other intrusions.

- **Information Technology Developments**
  Associated's highest cost increases and deliberate reinvestment have been in Information Technology. We paid over $560,000 in 2020. System enhancements allow us to better serve our clients and participants, and to maintain security. We utilize industry proven software to monitor network performance and to further block malware and phishing attacks on our ports, machines and applications. Our servers, desktops, and laptops are updated on a regular basis from software vendors to include critical and security patches. Four servers were replaced at a cost of $140,000 in 2020 and a new contract was recently executed with Basys for software upgrades and cloud hosting to better guard against cyber-intrusions.

Associated has assigned an Account Executive and an Account Manager with over 24 combined years of administration experience to work on the School Cafeteria Employees UNITEHERE Local No. 634 Health and Welfare Fund. Supporting the account management team is a staff of over fourteen employees including Accounting, Eligibility, Medical Claims, Participant Services, and IT. We are all dedicated to providing superior services.

Associated appreciates the opportunity to serve the Plan participants and Trustees, and welcomes all questions concerning our proposal.

Sincerely,

Alicia Cochran
Account Executive
Associated Administrators, LLC

**Exhibit A**

| Current Monthly Fee | 01/01/2022 12/31/2022 PPPM | 01/01/2023 12/31/2023 PPPM | 01/01/2024 12/31/2024 PPPM |
|---|---|---|---|
| $9,548 | $9,834<br><br>Monthly Increase - $286 | $10,129<br><br>Monthly Increase - $295 | $10,433<br><br>Monthly Increase - $304 |

January 1, 2022 through December 31, 2024 Hourly Rates for New Regulatory Changes and Implementation of New Vendors:

$100/Hour - IT/Management
$60/Hour - Supervisor
$30/Hour - Regular Employees

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**Health & Welfare Fund**
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October 2021

## *Notice of Creditable Coverage Regarding Your Prescription Drug Coverage*

*The following Notice of Creditable Coverage applies to all Medicare-eligible participants and/or spouses. Read this Notice carefully and keep it in a safe place so you have it if you need it.*

Please read this notice carefully and keep it where you can find it. This notice has information about your current prescription drug coverage with the School Cafeteria Employees UNITEHERE Local No. 634 Health and Welfare Fund and about your options under Medicare's prescription drug coverage. This information can help you decide whether or not you want to join a Medicare drug plan. If you are considering joining, you should compare your current coverage, including which drugs are covered and at what cost, with the coverage and costs of the plans offering Medicare prescription drug coverage in your area. Information about where you can get help to make decisions about your prescription drug coverage is at the end of this notice.

There are two important things you need to know about your current coverage and Medicare's prescription drug coverage:

1. Medicare prescription drug coverage became available in 2006 to everyone with Medicare. You can get this coverage if you join a Medicare Prescription Drug Plan or join a Medicare Advantage Plan (like an HMO or PPO) that offers prescription drug coverage. All Medicare drug plans provide at least a minimum standard level of coverage set by Medicare. Some plans may also offer more coverage for a higher monthly premium.

2. The School Cafeteria Employees UNITEHERE Local No. 634 Health and Welfare Fund has determined that the prescription drug coverage offered by the Fund is, on average for all plan participants, expected to pay out as much as standard Medicare prescription drug coverage pays and is therefore considered Creditable Coverage. Because your existing coverage is Creditable Coverage, you can keep this coverage and not pay a higher premium (a penalty) if you later decide to join a Medicare drug plan.

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**When Can You Join a Medicare Drug Plan?**
You can join a Medicare drug plan when you first become eligible for Medicare and each year thereafter from October 15th to December 7th.

However, if you lose your current creditable prescription drug coverage, through no fault of your own, you will also be eligible for a two (2)-month Special Enrollment Period (SEP) to join a Medicare drug plan.

**What Happens to Your Current Coverage if You Decide to Join a Medicare Drug Plan?**
If you decide to join a Medicare drug plan, your current coverage under the School Cafeteria Employees UNITEHERE Local No. 634 Health and Welfare Fund will be affected. The Fund provides a prescription drug benefit without annual benefit limits. There is a $5.00 co-payment for all prescription drugs. However, there is an out-of-pocket maximum that will apply. If you have medical insurance through the School District, your out-of-pocket maximum will be $1,000 for single and $2,000 for family coverage. If you do not have medical insurance through the School District, your out-of-pocket maximum will be $6,600 for single and $13,200 for family coverage. See below for more information about what happens to your current coverage if you join a Medicare drug plan.

**When Will You Pay a Higher Premium (Penalty) to Join a Medicare Drug Plan?**
You should also know that if you drop or lose your current coverage with the School Cafeteria Employees UNITEHERE Local No. 634 Health and Welfare Fund and don't join a Medicare drug plan within 63 continuous days after your current coverage ends, you may pay a higher premium (a penalty) to join a Medicare drug plan later.

If you go 63 continuous days or longer without creditable prescription drug coverage, your monthly premium may go up by at least 1% of the Medicare base beneficiary premium per month for every month that you did not have that coverage. For example, if you go nineteen months without creditable coverage, your premium may consistently be at least 19% higher than the Medicare base beneficiary premium. You may have to pay this higher premium (a penalty) as long as you have Medicare prescription drug coverage. In addition, you may have to wait until the following October to join.

**For More Information about This Notice or Your Current Prescription Drug Coverage**
Contact the Fund Office for further information at (833) 228-9212. Note: You'll get this notice each year. You will also get it before the next period you can join a Medicare drug plan or if this coverage through the School Cafeteria Employees UNITEHERE Local No. 634 Health and Welfare Fund changes. You also may request a copy of this notice at any time.

**For More Information about Your Options under Medicare Prescription Drug Coverage**
More detailed information about Medicare plans that offer prescription drug coverage is in the "Medicare & You" handbook. You should receive a copy of the handbook in the mail every year from Medicare. You may also be contacted directly by Medicare drug plans.

For more information about Medicare prescription drug coverage:
- Visit www.medicare.gov
- Call your State Health Insurance Assistance Program (see the inside back cover of your copy of the "Medicare & You" handbook for their telephone number) for personalized help
- Call 1-800-MEDICARE (1-800-633-4227). TTY users should call 1-877-486-2048.

If you have limited income and resources, extra help paying for Medicare prescription drug coverage is available. For information about this extra help, visit Social Security on the web at www.socialsecurity.gov, or call them at 1-800-772-1213 (TTY 1-800-325-0778).

**Remember: Keep this Creditable Coverage notice. If you decide to join one of the Medicare drug plans, you may be required to provide a copy of this notice when you join to show whether or not you have maintained creditable coverage and, therefore, whether or not you are required to pay a higher premium (a penalty).**

| | |
|---|---|
| Date: | October 2021 |
| Name of Entity/Sender: | Fund Office<br>School Cafeteria Employees UNITEHERE Local No. 634<br>Health and Welfare Fund<br>911 Ridgebrook RD<br>Sparks, MD 21152-9451 |
| Phone Number: | (833) 228-9212 |

**School Cafeteria Employees UNITEHERE Local No. 634**
**Health & Welfare Fund**

911 Ridgebrook Road
Sparks, Maryland 21152-9451
(833) 228-9212
www.associated-admin.com

## HIPAA Privacy Practices
## Reminder Notice

In accordance with the Privacy Rule of the Health Insurance Portability and Accountability Act (HIPAA), the School Cafeteria Employees UNITEHERE Local No. 634 Health & Welfare Fund has adopted and implemented policies and procedures that protect your private health information. These policies and procedures were described in a Notice originally distributed to you in April 2003 and again in December 2017.

If you would like another copy of the Notice, please contact the Fund office at 833-228-9212.

**What this Plan Covers & What You Pay For Covered Services** **Coverage for: Family** **Plan Type: Prescription, Dental and Vision**

**The Summary of Benefits and Coverage (SBC) document will help you choose a health plan. The SBC shows you how you and the plan would share the cost for covered health care services. NOTE: Information about the cost of this plan (called the premium) will be provided separately.**
**This is only a summary.** For more information about your coverage, or to get a copy of the complete terms of coverage, call the Fund office at (833) 228-9212. For general definitions of common terms, such as allowed amount, balance billing, coinsurance, copayment, deductible, provider, or other underlined terms see the Glossary. You can view the Glossary at www.dol.gov/ebsa/healthreform or call (833) 228-9212 to request a copy.

| Important Questions | Answers | Why This Matters: |
|---|---|---|
| **What is the overall deductible?** | **$** 0 | See the Common Medical Events chart below for your costs for services this plan covers. |
| **Are there services covered before you meet your deductible?** | Yes. Prescription drugs, dental and vision. | This plan covers some items and services even if you haven't yet met the deductible amount. But a copayment or coinsurance may apply. |
| **Are there other deductibles for specific services?** | No | You don't have to meet deductibles for specific services. |
| **What is the out-of-pocket limit for this plan?** | $1,600 per year for single<br>$3,200 per year for family | |
| **What is not included in the out-of-pocket limit?** | | |
| **Will you pay less if you use a network provider?** | Yes. Call (833) 228-9212 for name of mail order pharmacy | This plan uses a mandatory mail order pharmacy for all maintenance drugs. |
| **Do you need a referral to see a specialist?** | No | You can see the specialist you chose you chose without a referral. |

**NOTE: THIS SUMMARY COVERS ONLY YOUR PRESCRIPTION, DENTAL AND VISION BENEFITS. YOU MIGHT RECEIVE A SEPARATE SUMMARY OF BENEFITS AND COVERAGE FROM YOUR EMPLOYER DESCRIBING YOUR MAJOR MEDICAL BENEFITS.**

All **copayment** and **coinsurance** costs shown in this chart are after your **deductible** has been met, if a **deductible** applies.

| Common Medical Event | Services You May Need | What You Will Pay | | Limitations, Exceptions, & Other Important Information |
|---|---|---|---|---|
| | | Network Provider (You will pay the least) | Out-of-Network Provider (You will pay the most) | |
| **If you visit a health care provider's office or clinic** | Primary care visit to treat an injury or illness | Not Covered | Not Covered | ---none--- |
| | Specialist visit | Not Covered | Not Covered | ---none--- |
| | Preventive care/screening/ immunization | Not Covered | Not Covered | ---none--- |
| **If you have a test** | Diagnostic test (x-ray, blood work) | Not Covered | Not Covered | ---none--- |
| | Imaging (CT/PET scans, MRIs) | Not Covered | Not Covered | ---none--- |
| **If you need drugs to treat your illness or condition** More information about **prescription drug coverage** is available. Call (833) 228-9212. | Generic drugs | $5.00 copay/prescription for 30-day retail or 90-day mail order supply | N/A | The Trustees have adopted the exclusions and limitations on prescription drugs recommended by BeneCard. If you would like to see a list of these exclusions, please call the Fund office at 833-228-9212. |
| | Brand drugs | N/A | N/A | |
| | | | | |
| | | | | |
| **If you have outpatient surgery** | Facility fee (e.g., ambulatory surgery center) | Not Covered | Not Covered | ---none--- |
| | Physician/surgeon fees | Not Covered | Not Covered | ---none--- |
| **If you need immediate medical attention** | Emergency room care | Not Covered | Not Covered | ---none--- |
| | Emergency medical transportation | Not Covered | Not Covered | ---none--- |
| | Urgent care | Not Covered | Not Covered | ---none--- |
| **If you have a hospital stay** | Facility fee (e.g., hospital room) | Not Covered | Not Covered | ---none--- |
| | Physician/surgeon fees | Not Covered | Not Covered | ---none--- |
| **If you need mental health, behavioral health, or substance abuse services** | Outpatient services | Not Covered | Not Covered | ---none--- |
| | Inpatient services | Not Covered | Not Covered | ---none--- |
| **If you are pregnant** | Office visits | Not Covered | Not Covered | ---none--- |

For more information about limitations and exceptions call the Fund office at (833) 228-9212.

| Common Medical Event | Services You May Need | What You Will Pay | | Limitations, Exceptions, & Other Important Information |
|---|---|---|---|---|
| | | Network Provider (You will pay the least) | Out-of-Network Provider (You will pay the most) | |
| | Childbirth/delivery professional services | Not Covered | Not Covered | ---none--- |
| | Childbirth/delivery facility services | Not Covered | Not Covered | ---none--- |
| **If you need help recovering or have other special health needs** | Home health care | Not Covered | Not Covered | ---none--- |
| | Rehabilitation services | Not Covered | Not Covered | ---none--- |
| | Habilitation services | Not Covered | Not Covered | ---none--- |
| | Skilled nursing care | Not Covered | Not Covered | ---none--- |
| | Durable medical equipment | Not Covered | Not Covered | ---none--- |
| | Hospice services | Not Covered | Not Covered | ---none--- |
| **If your child needs dental or eye care** | Children's eye exam | 1 exam | Reimbursed up to $35 | Coverage limited to one exam/calendar year. |
| | Children's glasses | Lenses fully covered. Frames: reimbursed up to $60. | Lenses: reimbursed up to $30-$80 depending on type of lens. Frames: reimbursed up to $40. | Coverage limited to frames and lenses once every calendar year. Contact lenses (cosmetic): $175 allowance. |
| | Children's dental check-up | Diagnostic, preventive, restorative, periodontics and other services | Reimbursement based on total allowed charge for service. Provider may balance bill. | Orthodontia: $1,500 individual lifetime maximum benefit. |

## Excluded Services & Other Covered Services:

**Services Your Plan Generally Does NOT Cover (Check your policy or plan document for more information and a list of any other excluded services.)**

- Acupuncture
- Bariatric Surgery
- Chiropractic care
- Cosmetic surgery
- Hearing aids
- Infertility treatment
- Long-term care
- Non-emergency care when traveling outside the U.S.
- Private-duty nursing
- Routine foot care
- Weight loss programs

**Other Covered Services (Limitations may apply to these services. This isn't a complete list. Please see your plan document.)**

- Dental care (adult)
- Routine eye care (adult)

**Your Rights to Continue Coverage:** There are agencies that can help if you want to continue your coverage after it ends. The contact information for those agencies is: U.S. Department of Labor, Employee Benefits Security Administration, 1-866-444-EBSA (3272) or www.dol.gov/ebsa/healthreform, or you may contact

For more information about limitations and exceptions call the Fund office at (833) 228-9212.

the Fund at (833) 228-9212. Other coverage options may be available to you too, including buying individual insurance coverage through the Health Insurance Marketplace. For more information about the Marketplace, visit www.HealthCare.gov or call 1-800-318-2596.

**Your Grievance and Appeals Rights:** There are agencies that can help if you have a complaint against your plan for a denial of a claim. This complaint is called a grievance or appeal. For more information about your rights, look at the explanation of benefits you will receive for that medical claim. Your plan documents also provide complete information to submit a claim, appeal, or a grievance for any reason to your plan. For more information about your rights, this notice, or assistance, contact: U.S. Department of Labor, Employee Benefits Security Administration, 1-866-444-EBSA (3272) or www.dol.gov/ebsa/healthreform, or you may contact the Fund at (833) 228-9212.

**Does this plan provide Minimum Essential Coverage?** **Yes**
If you don't have Minimum Essential Coverage for a month, you'll have to make a payment when you file your tax return unless you qualify for an exemption from the requirement that you have health coverage for that month.

**Does this plan meet the Minimum Value Standards?** **No**
If your plan doesn't meet the Minimum Value Standards, you may be eligible for a premium tax credit to help you pay for a plan through the Marketplace*.

*To see examples of how this plan might cover costs for a sample medical situation, see the next section.*

***Although coverage provided by the School Cafeteria Employees UNITE HERE Local No. 634 Health & Welfare Fund does not meet the Minimum Value Standard, your employer-provided major medical coverage and the prescription drug coverage under this Fund, *taken together*, might meet the minimum value standard.**

## About these Coverage Examples:

**This is not a cost estimator.** Treatments shown are just examples of how this plan might cover medical care. Your actual costs will be different depending on the actual care you receive, the prices your providers charge, and many other factors. Focus on the cost sharing amounts (deductibles, copayments and coinsurance) and excluded services under the plan. Use this information to compare the portion of costs you might pay under different health plans. Please note these coverage examples are based on self-only coverage.

### Peg is Having a Baby
(9 months of in-network pre-natal care and a hospital delivery)

- **The plan's overall deductible** **$0**
- **Specialist** **Not covered**
- **Hospital (facility)** **Not covered**
- **Prescription copayment** ***$5.00***

**This EXAMPLE event includes services like:**
Specialist office visits (*prenatal care)*
Childbirth/Delivery Professional Services
Childbirth/Delivery Facility Services
Diagnostic tests (*ultrasounds and blood work)*
Specialist visit *(anesthesia)*

| **Total Example Cost** | **$12,800** |
|---|---|

**In this example, Peg would pay:**

| *Cost Sharing* | |
|---|---|
| Deductibles | $0 |
| Copayments | $0 |
| Coinsurance | $0 |
| *What isn't covered* | |
| Limits or exclusions | $12,800 |
| **The total Peg would pay is** | **$12,800** |

### Managing Joe's type 2 Diabetes
(a year of routine in-network care of a well-controlled condition)

- **The plan's overall deductible** **$0**
- **Specialist** **Not covered**
- **Hospital (facility)** ***Not covered***
- **Prescription copayment** ***$5.00***

**This EXAMPLE event includes services like:**
Primary care physician office visits (*including disease education)*
Diagnostic tests *(blood work)*
Prescription drugs
Durable medical equipment *(glucose meter)*

| **Total Example Cost** | **$7,400** |
|---|---|

**In this example, Joe would pay:**

| *Cost Sharing* | |
|---|---|
| Deductibles | $0 |
| Copayments | $60 |
| Coinsurance | $0 |
| *What isn't covered* | |
| Limits or exclusions | $7,340 |
| **The total Joe would pay is** | **$7,340** |

### Mia's Simple Fracture
(in-network emergency room visit and follow up care)

- **The plan's overall deductible** **$0**
- **Specialist** ***Not covered***
- **Hospital (facility)** **Not covered**
- **Prescription copayment** ***$5.00***

**This EXAMPLE event includes services like:**
Emergency room care *(including medical supplies)*
Diagnostic test *(x-ray)*
Durable medical equipment *(crutches)*
Rehabilitation services *(physical therapy)*

| **Total Example Cost** | **$1,900** |
|---|---|

**In this example, Mia would pay:**

| *Cost Sharing* | |
|---|---|
| Deductibles | $0 |
| Copayments | $0 |
| Coinsurance | $0 |
| *What isn't covered* | |
| Limits or exclusions | $1,900 |
| **The total Mia would pay is** | **$1,900** |

The **plan** would be responsible for the other costs of these EXAMPLE covered services.